

For Immediate Release:

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Contact:

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**Statement from Mayor Chuck Reed Regarding
The City Audit of Retirement Boards' Travel Expenses**

Retirement board members are entrusted with ensuring the prudent investment of both public funds and employees' own retirement contributions and overseeing these funds in a fiscally sound and ethical manner.

While the audit report identifies problems, it is not an investigation into individual expenses. Review of individual behavior and any resulting action fall under the authority of the City Manager.

Based on my initial review of the audit, I recommend that:

- All recommendations by the Auditor be implemented immediately.
- Any money that was improperly spent on travel or personal expenses be paid back to the retirement systems immediately.
- The boards of the Federated Retirement System and the Police and Fire Retirement System adopt the City of San Jose's travel policies.
- The boards undertake a periodic review and training covering the travel policy to prevent such issues in the future.
- The boards post travel expenses on their system websites as occurs in other jurisdictions.
- The City Council considers restructuring the boards of the Federated and Police and Fire retirement systems to bring in some independent boardmembers with financial and investment expertise.

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